

Message Text

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TO USDEL SECRETARY PRIORITY

C O N F I D E N T I A L STATE 031625 TOSEC 030047

LIMDIS

FOLLOWING REPEAT THE HAGUE 670 ACTION SECSTATE INFO BONN
BRUSSELS LONDON LUXEMBOURG PARIS ROME STOCKHOLM TOKYO
NATO 09 FEB

QUOTE

C O N F I D E N T I A L THE HAGUE 0670

LIMDIS

E.O. 11652: GDS

TAGS: PGOV, PFOR, BBAK, EINV, NL

SUBJECT: LOCKHEED PAYMENTS UPSET DUTCH

1. SUMMARY: THE NEWS THAT LOCKHEED PAID MORE THAN A MILLION
DOLLARS TO PRINCE BERNHARD HAS SENT A SHOCK WAVE THROUGH HOLLAND.
PRIME MINISTER DEN UYL HAS TOLD THE NATION THE PRINCE DENIES
RECEIVING ANY SUCH MONEY AND HAS ANNOUNCED THAT A COMMISSION OF
INQUIRY WILL BE SET UP TO DETERMINE FACTS AS QUICKLY AS POSSIBLE.
MOST ALL POLITICAL LEADERS HAVE INDICATED SUPPORT FOR THIS COURSE
OF ACTION. PUBLIC REACTION RANGES FROM DISMAY TO DEEP CONCERN.
CLIMATE FOR POSSIBLE FUTURE LOCKHEED SALES HERE IS NOW BELOW
FREEZING POINT AND IS LIKELY TO STAY THAT WAY. THERE IS ALSO
ANNOYANCE ON PART OF SOME WITH CHURCH COMMITTEE FOR BRINGING UP
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MATTERS FELT TO BE EXTREMELY UNPLEASANT. END SUMMARY

2. HOLLAND HAS BEEN TREATED OVER WEEKEND TO FAST-BREAKING STORY ABOUT ALLEGATIONS UNDER OATH BY LOCKHEED REPRESENTATIVE KOTCHIAN BEFORE CHURCH SUBCOMMITTEE. TESTIMONY WAS TO THE EFFECT THAT THE COMPANY PAID, AT VARIOUS TIMES, 1.1-MILLION DOLLARS TO "HIGH GOVERNMENT OFFICIAL IN THE NETHERLANDS." REVELATIONS BY FOREIGN NEWSPAPERS THAT THIS OFFICIAL WAS NONE OTHER THAN HUSBAND OF THE QUEEN, PRINCE BERNHARD (WHO IS INSPECTOR-GENERAL OF EACH OF THE DUTCH ARMED SERVICES), SENT GOVERNMENT SCURRYING FOR CONFIRMATION IN WASHINGTON.

3. LATE SATURDAY NIGHT, GOVERNMENT-RUN NEWS SERVICE STATED ON A NATIONAL TV THAT FACTS WOULD BE KNOWN "WITHIN HOURS." THIS WAS FOLLOWED BY SILENCE THROUGH MOST OF SUNDAY, SUGGESTING GON HAD EMPLOYED RARE STEP OF NEWS BLACKOUT (THERE ARE NO PAPERS SUNDAY), AND INDICATING THAT PRIME MINISTER AND CABINET NEEDED TIME TO SORT THINGS OUT. THEN, ON SUNDAY, GON ISSUED STATEMENT THAT IT HAD DETERMINED THAT "HIGH GOVERNMENT OFFICIAL" REFERRED TO WAS PRINCE BERNHARD AND THAT IT WOULD BE PROPOSING TO THE STATES GENERAL ON TUESDAY AT LATEST ESTABLISHMENT OF COMMISSION OF INQUIRY TO DETERMINE FACTS AND TO CONSIDER WHETHER PRINCE'S CONDUCT WAS "BLAMEWORTHY." PRIME MINISTER, COMMENTING ON STATEMENT ON NATIONAL TV, MADE CLEAR PRINCE, IN CONVERSATIONS WITH HIM, HAS DENIED RECEIVING LOCKHEED MONEY AND HAS ALSO WELCOMED INVESTIGATION. DEN UYL, SOMEWHAT GRATUITOUSLY, ADDED NO ONE IS GUILTY UNTIL HIS GUILT HAS BEEN PROVEN. HE ALSO EXPRESSED HOPE COMMISSION'S WORK COULD BE DONE SOON.

4. MOST ALL POLITICAL LEADERS HAVE SUPPORTED SUGGESTION FOR COMMISSION. MANY, INCLUDING LABOR LEADER VAN THIJN, HAVE BEEN RESTRAINED. PROTESTANT LEADER KRUISINGA (CHU), HOWEVER, WENT FURTHER, DECLARING THAT HE WOULD NO LONGER BE ABLE TO SUPPORT IN PARLIAMENT ACQUISITION BY NETHERLANDS OR BY NATO OF ANY FURTHER LOCKHEED PRODUCTS. (THIS VIEW PROBABLY REFLECTS THAT OF MANY OTHERS.) KRUISINGA EARLIER SUNDAY AFTERNOON ALSO CALL POLCOUNS TO VOICE SAME VIEWS AND TO EXPRESS DISMAY WITH SENATE INVESTIGATION SUCH AS CHURCH COMMITTEE'S WHICH, HE FELT, WAS HURTING US ABROAD. KRUISINGA ALSO SAID THAT CONTINUED REVELATIONS WERE LIKELY TO HAVE DETRIMENTAL AFFECT ON BILATERAL RELATIONS AND WERE DESTROYING BUSINESS CLIMATE FOR FIRMS SUCH AS LOCKHEED (A RESULT

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TO WHICH HIS SUBSEQUENT BROADCAST COMMENTS WILL CERTAINLY CONTRIBUTE).

5. COMMENT: THERE IS WIDESPREAD DISMAY AND CONCERN, WHICH IS LIKELY TO DEEPEN AS THIS CASE DEVELOPS. OTHER THAN STATEMENT SATURDAY BY TINY PACIFIST-SOCIALIST PARTY THAT THIS AFFAIR DEMONSTRATES UNDESIRABILITY OF A ROYAL HOUSE WHICH IS NOT ACCOUNTABLE, THERE HAVE BEEN NO DIRECT COMMENTS ABOUT EFFECT ON ROYAL

HOUSE BY OTHER POLITICAL LEADERS. RIGHT NOW IT IS TOO EARLY TO
GAUGE REACTIONS. IT IS ALREADY EVIDENT, HOWEVER, THAT, EVEN IF
PRINCE TURNS OUT NOT TO BE INVOLVED, THERE WILL BE SOME DAMAGE
TO THE IMAGE OF THE ROYAL HOUSE. SHOULD THE PRINCE'S DENIAL NOT
STAND UP, HOWEVER, THIS DAMAGE MAY BE SEVERE AND COULD ALSO AFFECT
THE POSITION OF THE QUEEN. IT COULD ALSO RAISE SERIOUS QUESTIONS
ABOUT THE INSTITUTION OF THE MONARCHY.
BROWN UNQUOTE INGERSOLL

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